

Metropolitan Estate
and Property Corporation Limited



Annual Report and Accounts

1967

Chairman's Statement

Directors' Report and Accounts

for the Year ended

30th September, 1967



SUTTON
HOUSE

P.

P.J. HECAHTY
— LAND SURVEYOR —
CONTRACTOR
1946

DLI 699

LPI
225

71P 216

METROPOLITAN ESTATE AND PROPERTY CORPORATION LIMITED

Board of Directors

C. E. M. HARDIE, C.B.E., F.C.A., *Chairman*

J. SCRIMGEOUR, C.M.G., O.B.E. } *Deputy Chairmen*
A. KENNEDY KISCH, M.A. }

R. H. SHEPPARD, F.A.I., *Managing Director*

SIR NUTCOMBE HUME, K.B.E., M.C.

R. J. DICKINSON, M.A.

W. E. PHILP, F.R.I.C.S., F.A.I.

J. C. HAWKES, F.R.I.C.S.

M. R. CREASEY, F.A.I.

BERNARD DUFTON, F.C.A.

Secretary and Registered Office

A. L. CROWE, F.C.A.

Brook House, 113 Park Lane, London, W.1.

Auditors

THOMSON McLINTOCK & CO.

Chartered Accountants, 33 King William Street, London, E.C.4.

Registrars and Transfer Office

MARTINS BANK LIMITED

Clements House, Gresham Street, London, E.C.2.

Bankers

LLOYDS BANK LIMITED

MARTINS BANK LIMITED

NATIONAL PROVINCIAL BANK LIMITED

Notice of Meeting

Notice is hereby given that the ANNUAL GENERAL MEETING of the Company will be held at Brook House, 113 Park Lane, London, W.1, on Thursday, 21st December, 1967, at 12 noon for the following purposes:

Ordinary Business:

- 1 To receive and adopt the Balance Sheet and Statement of Accounts as at 30th September, 1967, and the Report of the Directors thereon.
- 2 To declare a Final Dividend on the Ordinary Share Capital.
- 3 To re-elect Directors.
- 4 To authorise the Directors to fix the remuneration of the Auditors.

Special Business:

- 5 As special business to consider and, if thought fit, pass the following Resolution, which will be proposed as a Special Resolution of the Company:

Special Resolution

“That the maximum number of Directors of the Company be increased from ten to fifteen and, accordingly, that Article 79 of the Articles of Association of the Company be altered by the deletion of the words ‘the Directors shall not be less than three nor more than ten in number’ and the substitution therefor of the words ‘the Directors shall not be less than three nor more than fifteen in number’.”

A Member of the Company who is entitled to attend and vote may appoint a proxy or proxies to attend and, on a poll, to vote in his stead. A proxy need not be a Member of the Company.

By Order of the Board,

A. L. CROWE

Secretary.

London W.1
28th November, 1967.

*{ These Accounts are sent to Preference and Debenture Stockholders
for information only. They are not entitled as a right to attend or
vote, either in person or by proxy, at the above-mentioned meeting. }*

Report of the Directors for the year ended 30th September, 1967

To be presented to the Annual General Meeting of the Company at Brook House, 113 Park Lane, London, W.1, on 21st December, 1967.

1966			1967	
£	£		£	£
4,922,081		The Group income after charging all expenses other than interest but before providing amortisation and taxation was		5,801,660
	1,632,092	Interest payable amounted to	2,027,403	
	131,296	Less: Amount applicable to properties held for or in course of development	85,381	
1,500,796				1,942,022
3,421,285				3,859,638
95,933		Provision for leasehold amortisation		92,293
3,325,352				3,767,345
		Deduct Taxation for the year:		
	633,972	Corporation tax	1,323,548	
	222,758	Profit tax	—	
	628,459	Income tax	—	
	—	Overseas taxation	55,327	
	88,100	Transfer to overseas taxation equalisation account	95,500	
	1,573,289		1,474,375	
	6,824	Less: Adjustment in respect of previous years	15,885	
1,566,465				1,458,490
1,758,887		Net profit for the year		2,308,855
92,135		Profit attributable to outside interests in subsidiaries		141,177
1,666,752				2,167,678
		Deduct:		
	46,686	Profit on dealing after Tax, transferred to Reserve	5,661	
	162,984	Appropriated to Canadian Properties Reserve	201,503	
209,670				207,164
1,457,082				1,960,514
		Dividends paid or payable for the year		
	97,543	Preference	97,543	
		Ordinary:		
	612,779 (4%)	Interim (4%) paid 24th June, 1967	612,779	
	1,148,961 (7½%)	Proposed Final (8%) payable 21st December, 1967	1,225,559	
	1,859,283		1,935,881	
	452,604	Less: Income Tax retained	—	
1,406,679				1,935,881
50,403				24,633
	693,641	Add balance brought forward from previous year	744,044	
	—	Less adjustment due to issue of shares in a subsidiary to outside interests	1,449	
693,641				742,595
£744,044		Balance to carry forward		£767,228

The Directors retiring by rotation in accordance with the provisions of the Company's Articles of Association are Mr. C. E. M. Hardie, C.B.E., Mr. R. J. Dickinson and Mr. J. C. Hawkes and they offer themselves for re-election.

The Auditors, Messrs. Thomson McLintock & Co. have intimated their willingness to continue in office and a Resolution will be proposed at the forthcoming Annual General Meeting concerning their remuneration.

By Order of the Board,

London, W.1.
28th November, 1967.

A. L. CROWE,
Secretary.

Information

The 6th April, 1965 ' Budget Day Prices ' of the Company's quoted Share and Loan Capital for Capital Gains purposes were as follows:—

Ordinary Shares of 5s. each	9s. 9d.
4½% Preference Stock (£1 units)	12s. 6d.
4% First Mortgage Debenture Stock	£63 per £100 Stock
5¾% First Mortgage Debenture Stock	£85 per £100 Stock



Mr. C. E. M. Hardie, C.B.E., F.C.A.,
Chairman



Mr. R. H. Sheppard, F.A.I.,
Managing Director

Statement of the Chairman

ONCE again I am pleased to report an improved result for the financial year ended 30th September, 1967. Gross rents and other income have increased by 17% to £7,509,000 and after meeting all charges, including interest, the profit before tax has increased from £3,325,000 to £3,767,000. The amount available from the year's operations for appropriation is £2,168,000 (£1,667,000). This year, however, there is no relief from tax retained from dividends (last year £452,604). Nevertheless, it is proposed, owing to the improved results, to pay an increased final dividend of 8% less Income Tax. This, with the interim dividend of 4% paid on 24th June, 1967, makes 12% for the year, compared with 11½% for the previous year. In calculating the above figures provision has been made for Corporation Tax at 40% but as regards the last six months of the year, the rate will now be 42½% in view of the recent Government proposals for an increase in the 1968 Budget.

These results reflect the anticipated growth following a continuation of our Investment policy, which is now firmly established, namely, within our borrowing powers steadily to invest in varied types of shop, office, and industrial premises showing suitable yields and prospects of Capital appreciation. Having regard to the 21 years of the Company's existence leases are now regularly falling in for renewal at higher rents. This indeed is a major source of strength to the Company.

As a result of the year's transactions the gross assets of the Group have increased from £71,261,000 to £77,795,000, including net property investment in the United Kingdom of £4,114,000, and in Canada £2,946,000, and Ireland £837,000. The resources which have made this investment policy possible have stemmed, in the main, from loan

capital raised in Canada and further drawings upon our 6¾% First Mortgage Debenture with The Prudential Assurance Co. Ltd., of which £5,750,000 still remained to be drawn at the end of the financial year. This sum will certainly carry us through the next financial year, subject to any major transactions which may emerge, and in the meantime an examination has been made of existing Borrowing Powers and requirements so that future finance can now be arranged for subsequent growth.

At the Annual General Meeting, the opportunity is being taken to increase to 15 the number of Directors authorised by the Articles. This will provide scope for expansion of the Board and allow for a suitable proportion of part-time and full-time Directors.

The position of the Canadian Company is summarised at the end of this document, and its continued growth by the acquisition of additional investment properties is once again a cause for gratification. Export of Capital for this subsidiary is inhibited at the present time by currency regulations and the high cost of premium Dollars, but it is calculated that it has sufficient resources generated within Canada, by continuing to pledge the remainder of its portfolio, to cover requirements for the next financial year.

In Ireland we have continued to invest in properties, particularly those with growth promise, and the gross assets now amount to £2,023,000. The cash investment of the Parent Company totals £1 million and is supported by a facility from the Friends' Provident and Century Life Office of a further £2 million.

In the United Kingdom, owing to the growing

tendency of financial institutions to invest directly in property (in order to avoid the depredations of Corporation Tax), the competition for available office, shop and industrial properties of good quality has become keen. We are able, nevertheless, to obtain a continuing flow of investments suitable for our portfolio, owing to our well established connections and the ability, as a result of our Management procedures, to make firm offers for properties at short notice. This is a welcome feature to intending vendors, not always available from less streamlined organisations. Nevertheless, it is useful to have other outlets for investments, both in Canada and Ireland, which can be used if the market gets out of hand in this country.

The continuing progress of your Company is due, of course, to the high standard of Management which has been developed under the guidance of Mr. Sheppard in the United Kingdom, ably supported by Mr. Anker, the President of the Canadian Company, and Mr. Kennedy Kisch in Ireland. There are the closest links between these three territories and all our senior staff participate in investment decisions. We celebrated this year the twenty-first anniversary of the present holding Company, but of course the component parts of the

Corporation go back further than this into the early 1920s. We have an excellent staff and I am glad to say there is a new generation under development to continue the good work.

We have continued to examine various companies for potential acquisition but, so far, none suitable to our requirements has emerged. We do not wish to make such a move purely for the sake of incidental once-and-for-all Capital reorganisation, but concurrently with our continued policy of increasing investment we intend to follow up every opportunity which may offer, now that the general climate of property companies has been more clearly established, following the Taxation innovations of two years ago.

The vital role played by property investment companies in the commercial life of Great Britain is often underestimated. They occupy a more important place in the economy of our country than in any other, and provide a medium through which industry and commerce can obtain capital on terms advantageous to both tenants and landlords. It is to be hoped that the government will recognise this valuable contribution to productive investment in their taxation policies.





METROPOLITAN ESTATE AND FINANCE COMPANY

Balance Sheet of the Company and Consolidated Balance Sheet of the Group

	M.E.P.C. LTD.		GROUP	
	1967	1966	1967	1966
	£	£	£	£
Authorised share capital				
Ordinary capital (in shares of 5/- each)	17,500,000	17,500,000		
4½% Cumulative Preference capital (in shares of £1 each)	2,500,000	2,500,000		
	<u>£20,000,000</u>	<u>£20,000,000</u>		
Issued share capital and reserves				
Ordinary capital (fully paid)	15,319,478	15,319,478	15,319,478	15,319,478
Capital reserves				
General—note 3	2,860,380	2,780,304	7,287,972	7,095,552
Share premiums	7,439,376	7,439,376	7,439,376	7,439,376
	<u>10,299,756</u>	<u>10,219,680</u>	<u>14,727,348</u>	<u>14,534,928</u>
Revenue reserves				
Dealing profits	130,105	124,444	130,105	124,444
Unappropriated profit	395,813	380,829	767,228	744,044
	<u>525,918</u>	<u>505,273</u>	<u>897,333</u>	<u>868,488</u>
Ordinary capital and reserves	26,145,152	26,044,431	30,944,159	30,722,894
Preference capital (fully paid)	2,167,631	2,167,631	2,167,631	2,167,631
	<u>28,312,783</u>	<u>28,212,062</u>	<u>33,111,790</u>	<u>32,890,525</u>
Future taxation				
Taxation equalisation account (overseas)	—	—	524,400	428,900
Outside interests in subsidiary companies	—	—	2,358,683	2,290,954
Loan capital				
4% First mortgage debenture stock 1996	2,953,852	3,014,899	2,953,852	3,014,899
5¾% First mortgage debenture stock 1984/89	5,000,000	5,000,000	5,000,000	5,000,000
6¾% First mortgage debenture stock 1997/2000—note 5	6,250,000	4,000,000	6,250,000	4,000,000
Mortgages not repayable within five years	1,134,433	931,310	7,264,455	6,093,095
Debenture stocks and bonds of subsidiaries—note 4	—	—	10,883,386	9,737,130
	<u>15,338,285</u>	<u>12,946,209</u>	<u>32,351,693</u>	<u>27,845,124</u>
Mortgages repayable within five years	—	—	1,745,144	1,033,439
	<u>15,338,285</u>	<u>12,946,209</u>	<u>34,096,837</u>	<u>28,878,563</u>
Subsidiary companies				
Advances (without security)	9,086,717	8,660,769	—	—
Provision for repairs, renewals of fixed plant and dilapidations	282,676	271,010	257,555	310,919
Current liabilities				
Loans from bankers	631,703	335,384	1,579,446	1,684,460
Creditors and accrued charges	1,456,432	1,041,196	2,542,311	2,123,331
Current taxation	987,159	557,413	2,098,829	1,504,050
Proposed final ordinary dividend	1,225,559	1,148,961	1,225,559	1,148,961
	<u>4,300,853</u>	<u>3,082,954</u>	<u>7,446,145</u>	<u>6,460,802</u>
	<u>£57,321,314</u>	<u>£53,173,004</u>	<u>£77,795,410</u>	<u>£71,260,663</u>

The Notes appearing on page

PROPERTY CORPORATION LIMITED



Company and Subsidiary Companies at 30th September, 1967

	M.E.P.C. LTD.			GROUP		
	1967	1966		1967	1966	
	£	£	£	£	£	£
Fixed assets						
Properties at valuation or at cost—note 1:						
Freehold, <i>less</i> depreciation reserve	19,667,232	17,907,422		54,989,980	48,580,908	
[£173,060 (Group: £1,276,343)—note 2]						
Leasehold—Over 50 years unexpired	9,399,512	9,077,176	15,043,956	14,281,001		
Under 50 years unexpired	1,277,109	267,107	2,213,587	2,233,701		
	10,676,621	9,344,283	17,257,543	16,514,702		
<i>Less</i> : Provision for amortisation	313,820	261,533	592,419	534,889		
	10,362,801	9,082,750	16,665,124	15,979,813		
	30,030,033	26,990,172	71,655,104	64,560,721		
Investment—£310,056 nominal of the Corporation's						
first mortgage debenture stock, at cost	257,101	192,287	257,101	192,287		
(Market value £199,539)						
Capital redemption policies at surrender values	273,046	331,852	273,046	331,852		
Funds for re-investment held by debenture trustees	147,793	22,972	159,793	22,972		
Furniture and fittings, office machinery, and motor cars at						
cost, <i>less</i> depreciation	48,101	39,441	66,312	57,871		
[£46,429 (Group: £59,746)]						
	30,756,074	27,576,724	72,411,356	65,165,703		
Subsidiary companies						
Shares at cost, <i>less</i> amounts written off—(£26,060)	15,457,710	15,453,582				
Advances and dividends receivable	7,569,869	6,615,013				
	23,027,579	22,068,595				
Interests in associated companies						
Shares at cost (unquoted)	3,566	3,566	3,567	3,567		
Loans	1,293,396	1,002,776	1,442,626	1,152,074		
	1,296,962	1,006,342	1,446,193	1,155,641		
Current assets						
Loans (secured)	244,210	703,308	896,847	1,405,682		
Debtors for rents and sundry balances, <i>less</i> provision for						
doubtful debts	1,181,140	847,279	1,600,766	1,336,753		
Tax reserve certificates	800,000	816,443	800,000	816,443		
Bank and cash balances and short term deposits	1,345	140,309	318,211	1,082,454		
	2,226,695	2,507,339	3,615,824	4,641,332		
Outgoings in respect of properties under development	14,004	14,004	322,037	297,987		
	£57,321,314	£53,173,004	£77,795,410	£71,260,663		

CHARLES E. M. HARDIE }
RICHARD H. SHEPPARD } *Directors.*

an integral part of the Accounts.

Consolidated Revenue Account of the Company and Subsidiary Companies
for the year ended 30th September, 1967

The Notes appearing on page 11 form an integral part of the Accounts.

Notes on the Accounts

1. The gross values of the properties in the Balance Sheets are:			4. Debenture stocks and bonds of subsidiary companies are:		
	M.E.P.C. Ltd.	Group			
	£	£	OUTSIDE THE UNITED KINGDOM		£
UNITED KINGDOM			6½% First mortgage sinking fund bonds 1982	.	916,667
At valuation by Messrs. Knight, Frank & Rutley, at 30.9.60	15,717,890	18,720,874	5¾% First mortgage sinking fund bonds 1983	.	1,103,265
At valuation by directors of Town Investments Limited, at 30.9.59	—	8,727,818	6¾% First mortgage sinking fund bonds 1983	.	204,167
At valuation for mortgage purposes by directors of subsidiary companies at 30.9.66	—	2,490,287	6¾% First mortgage sinking fund bonds 1987	.	1,079,375
At cost	14,799,023	27,171,714			3,303,474
	30,516,913	57,110,693	UNITED KINGDOM		
OUTSIDE THE UNITED KINGDOM			3¾% Debenture stock 1965/78	.	120,000
At cost	—	16,413,173	5¾% First mortgage debenture stock 1985/90	.	2,500,000
	£30,516,913	£73,523,866	6¼% First mortgage debenture stock 1985/90	.	500,000
			6% First mortgage debenture stock 1987	.	1,250,000
			First mortgage debenture 1992	.	3,209,912
					£10,883,386
2. Income Tax allowances for industrial buildings, etc., are included in reserve for depreciation of freehold properties. The movements on this reserve have been:			5. The Prudential Assurance Company Limited have undertaken to subscribe for £12 million of 6¾% first mortgage debenture stock over the period ending July 1970 of which £6,250,000 had been subscribed at 30th September, 1967. Stockholders will have the right to convert up to 10 per cent of the stock issued into ordinary shares of M.E.P.C. Ltd. at 10/6d. per share, the option to be exercisable in December in each of the years 1967 to 1970 inclusive.		
	M.E.P.C. Ltd.	Group	6. The holders of the 6% first mortgage debenture stock 1987 issued by a subsidiary company have the right to call for repayment of £300,000 of such stock and to subscribe therewith for ordinary share capital of M.E.P.C. Ltd. as follows:		
	£	£	1st January, 1968 at 20s. per share.		
Balance brought forward from previous year	148,015	980,445	1st January, 1969, 1970 and 1971 at 25s. per share.		
Transfer from capital reserve	—	50,000	7. At 30th September, 1967 share purchase warrants entitling the holders to purchase common shares in M.E.P.C. Canadian Properties Limited at \$3.50 per share were outstanding as follows:—		
Transfer from provision for plant depreciation	—	17,530	Exercisable	Entitlement	
Income tax allowances received during the year	25,045	26,865	Before 1.8.1970	96,600 shares	
Appropriated out of Canadian profits	—	201,503	Before 30.6.1976	100,000 shares	
	£173,060	£1,276,343	Executives of M.E.P.C. Canadian Properties Limited have options to purchase 5,000 common shares at \$2.50 and 15,000 common shares at \$3.00 not later than 1st October, 1969.		
3. The movements on capital reserve general have been:			The total interest of outside shareholders in this subsidiary will be 35% approximately if the rights and options are exercised in full, compared with 31% at 30th September, 1967.		
	M.E.P.C. Ltd.	Group	8. The assets and liabilities of the Canadian subsidiary have been converted into sterling at £1 = \$3.		
	£	£	9. Capital commitments for which provision has not been made in these accounts amount to:		
Balance brought forward from previous year	2,780,304	7,095,552		M.E.P.C. Ltd.	Group
Less: Capital issue expenses	8,714	9,011		£	£
Transfer to reserve for depreciation of freehold properties	—	50,000	Contracted	810,000	2,201,000
	2,771,590	7,036,541	Authorised but not contracted	298,000	2,498,000
Add: Surpluses on—			10. In addition to commitments in (9) above M.E.P.C. Ltd. has undertaken to procure finance amounting to £1,275,000 for developments by associated companies, of which £1,023,000 has been provided out of the company's own resources at 30th September, 1967.		
Purchase of debenture stock for redemption	16,904	16,904	11. The holding company has contingent liabilities of £949,498 in respect of uncalled capital investments in subsidiary companies.		
Realisation of properties and sundry credits	71,886	234,527			
	£2,860,380	£7,287,972			
Group capital reserve includes the unrealised surplus of £1,794,922 arising from the revaluation of properties in a subsidiary company in 1959. Corporation tax will be payable on any part of this surplus which is realised.					
The directors consider that any liability to capital gains tax that may have arisen on the sale of properties since 5th April, 1965, or may arise on the future sale of properties revalued since that date at sums not exceeding their current book values is likely to be immaterial.					
Any such liabilities arising from the above will be charged to capital reserve.					
12. The announcement of devaluation on 18th November, 1967 was made after these accounts had been prepared and the preliminary results published. The effect of converting the Canadian interests at \$2.60 instead of \$3.00 to £1 would not significantly alter the shareholders equity but the increase in Corporation Tax from 40% to 42½% announced at the same time will increase the tax chargeable by approximately £40,000					

Auditors' Report

We have audited the books and records of Metropolitan Estate and Property Corporation Limited for the year ended 30th September, 1967, and have obtained all the information we required. Proper books of account have been kept. The accounts of the company on pages 8 to 10 agree with the books, and together with the group accounts and notes on page 11 comply with the Companies Act, 1948. Certain of the subsidiaries have been audited by other firms of accountants.

In our opinion these accounts give a true and fair view of the state of affairs of the company, and of the state of affairs and profit of the company and its subsidiaries regarded as a single undertaking.

THOMSON McLINTOCK & CO.

Chartered Accountants

33 King William Street
London E.C.4
28th November, 1967

Comparative Information 1958–1967

GROUP BALANCE SHEET						GROUP REVENUE ACCOUNT					
(£000's)						(£000's)					
	Properties (Gross)	Loan Capital	Preference Capital	Ordinary Capital	Reserves		Gross Revenue	Profit before Taxation	Taxation	Profit available for Ordinary Dividends and Reserves	Ordinary Dividends paid
	£	£	£	£	£		£	£	£	£	£
1958	16,675	6,824	1,525	2,683	6,015	1958	1,606	728	413	276	195
1959	18,644	7,239	1,525	4,025*	5,263	1959	1,712	862	424	398	308
1960	22,550	8,860	1,525	5,137	7,552	1960	2,157	1,168	586	540	425
1961	31,800†	6,779	1,525	7,939	15,365	1961	2,561	1,548	799	696	629
1962	46,507	13,645	2,025	15,319**	13,805	1962	4,151	2,380	1,271	1,036	891
1963	50,368	15,001	2,025	15,319	13,943	1963	4,499	2,552	1,336	1,125	985
1964	55,349	21,122	2,168	15,319	13,860	1964	4,932	2,630	1,367	1,157	985
1965	58,332	24,804	2,168	15,319	14,775	1965	5,552	2,957	1,554	1,266	1,035
1966	66,076	28,879	2,168	15,319	15,401	1966	6,409	3,325	1,566	1,589	1,329
1967	73,524	34,097	2,168	15,319	15,625	1967	7,509	3,767	1,458	2,070	1,838

*Bonus Issue of 1 for 2 required £1,341,000 Capital.

**Bonus Issue of 1 for 2 required £3,969,377 Capital.

†Property Revaluation at 30-9-1960 adopted in Balance Sheet 30-9-1961 (Surplus £5,072,000).

Analysis of Group Properties

The Properties owned by the Group according to the Consolidated Balance Sheet at 30th September, 1967 can be divided into the following main categories (at gross book values):

	Freehold	Leasehold (over 50 years unexpired)	Leasehold (less than 50 years unexpired)	Total	%
	£	£	£	£	
UNITED KINGDOM					
Offices	12,887,695	5,322,327	1,786,831	19,996,853	27.2
Shops	15,127,111	4,046,776	206,256	19,380,143	26.4
Commercial and Industrial	11,460,892	3,032,224	220,275	14,713,391	20.0
Residential	1,246,428	1,773,653	225	3,020,306	4.1
	40,722,126	14,174,980	2,213,587	57,110,693	77.7
OUTSIDE THE UNITED KINGDOM					
Offices	5,377,015	385,756	—	5,762,771	7.8
Shops	2,845,528	101,103	—	2,946,631	4.0
Commercial and Industrial	7,321,654	382,117	—	7,703,771	10.5
	£56,266,323	£15,043,956	£2,213,587	£73,523,866	100%
Percentage of Total	76.5%	20.5%	3.0%	100%	

*Offices and
Industrial Premises
at Croydon, Surrey.*



Offices and Distribution Depot, Boreham Wood.



M.E.P.C. CANADIAN PROPERTIES LIMITED



Office development, Riverside Drive, Ottawa.

Premier House, Winnipeg.



M.E.P.C. CANADIAN PROPERTIES LIMITED

AND SUBSIDIARY COMPANIES

Summarised Balance Sheet—30th September, 1967

		Comparative 1966
	\$	\$
Fixed assets—at cost	43,389,075	35,899,202
Less: Accumulated depreciation	2,568,957	1,905,765
	40,820,118	33,993,437
Loans and advances		
Advance to associated company	440,937	441,148
Current assets		
Cash and marketable securities	492,334	2,486,323
Rent receivable and prepaid expenses	268,340	211,654
	760,674	2,697,977
Deferred charges	486,587	512,629
Total assets	\$42,508,316	\$37,645,191
Current liabilities		
Bank overdraft	25,472	1,338,256
Accounts payable, etc.	1,128,767	1,505,691
Taxation	120,000	—
	1,274,239	2,843,947
Deferred income taxes	500,000	500,000
	1,774,239	3,343,947
Minority interests in subsidiaries	10,451	—
Loan capital		
Mortgages and notes payable	26,020,920	20,033,101
Net assets	\$14,702,706	\$14,268,143
Shareholders' equity		
Represented by:		
3,785,180 Common shares of no par value	9,771,679	9,741,179
Surplus	2,431,027	2,026,964
	12,202,706	11,768,143
100,000 6% Redeemable preference shares of \$25 each	2,500,000	2,500,000
	\$14,702,706	\$14,268,143

Consolidated Statement of Profit and Loss for the year ended 30th September, 1967

		Comparative 1966
	\$	\$
Rental revenue	4,213,575	3,413,510
Less:		
Property expenses	859,673	765,876
Net rental revenue	3,353,902	2,647,634
Less:		
General and administrative expenses	259,735	194,382
	3,094,167	2,453,252
Interest—general	1,517,796	1,137,522
	1,576,371	1,315,730
Sundry income less sundry expenses	87,939	—40,477
	1,664,310	1,275,253
Depreciation—buildings	604,509	488,954
Taxation	120,000	—
Minority interests	7,960	—
	732,469	488,954
Net operating profit	\$931,841	\$786,299

Consolidated Statement of Surplus for the year ended 30th September, 1967

		Comparative 1966
	\$	\$
Surplus, 1st October, 1966	2,026,964	1,715,155
Add:		
Net operating profit	931,841	786,299
Surplus on sale of property	—	78,737
	931,841	865,036
	2,958,805	2,580,191
Less:		
Expenses of share issue	—	224,983
Dividends paid— Common	377,778	301,944
Preference	150,000	26,300
	527,778	553,227
Surplus, 30th September, 1967	\$2,431,027	\$2,026,964

The above has been summarised from the audited Consolidated Accounts
of M.E.P.C. Canadian Properties Limited and its subsidiaries.



ELLISTON & CAVELL LTD

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The activities of Metropolitan Estate and Property Corporation Limited and its subsidiary and associated companies are entirely related to property investment and development. The Management of properties and administration of subsidiary companies in the United Kingdom is carried out by the parent company.

**PRINCIPAL SUBSIDIARY AND
ASSOCIATED COMPANIES**

UNITED KINGDOM

Wholly owned operating Subsidiaries:

- AVONDOWN PROPERTIES LIMITED
- THE BLETCHLEY PROPERTY COMPANY LIMITED
- COLUMBUS PROPERTIES LIMITED
- ELOM PROPERTIES LIMITED
- FINSBURY CIRCUS ESTATES LIMITED
- FURLONG PROPERTIES LIMITED
- HANTON HOLDINGS LIMITED
- THE HOUSE AND LAND SYNDICATE LIMITED
- THE JUNIOR PROPERTY AND INVESTMENT COMPANY, LIMITED
- KINGPOST INVESTMENT COMPANY LIMITED
- KINGSLEY INVESTMENT TRUST LIMITED
- THE MANCHESTER COMMERCIAL BUILDINGS COMPANY LIMITED
- M.E.P.C. (LIVERPOOL) LIMITED
- METROPOLITAN COMMERCIAL PROPERTY INVESTMENTS LIMITED
- ST. MARY'S ESTATE LIMITED
- SURREY SHOP HOLDINGS LIMITED
- TOWN INVESTMENTS LIMITED

(Wholly owned subsidiaries:

- London Land & Property Company Limited
- Twenty Albert Embankment Limited
- Waddon Investments Limited)

Subsidiary companies partly owned:	PROPORTION OF ORDINARY CAPITAL HELD	
M.E.P.C. (PENTYRCH) LIMITED		95%
OXENFORD PROPERTIES LIMITED		67%
PERCY STREET INVESTMENTS LIMITED		67%
PROPERTY DEVELOPMENT CONSORTIUM LIMITED		80%
THREADNEEDLE PROPERTY COMPANY LIMITED		65%

(Wholly owned subsidiary:

- Tudor Properties (Bramhall) Limited)

Associated companies:

CURRIE INVESTMENTS LIMITED	25%
M.E.P.C. (GLASGOW) LIMITED	50%
METROLAIN PROPERTIES LIMITED	50%
TOWN HOLDINGS LIMITED	50%

OUTSIDE THE UNITED KINGDOM

Incorporated in Canada:

- M.E.P.C. CANADIAN PROPERTIES LTD, and subsidiaries
- 365 BAY STREET, TORONTO 1. (President: P. A. Anker, F.R.I.C.S.) 69%

Incorporated in the Republic of Ireland:

- M.E.P.C. (IRELAND) LIMITED, and subsidiaries 90%
- BECTIVE HOUSE, DAWSON STREET, DUBLIN 2
- (Managing Director: A. Kennedy Kisch, M.A.)

Non-operating subsidiaries and subsidiaries which do not materially affect the profit or the assets of the Group, have been excluded from the above statement.

OXENFORD HOUSE, OXFORD.
Developed in association with
St. John's College, Oxford.
(Civic Trust Award for Design)

